
For Immediate Release
Calgary, Alberta

Wednesday, November 29, 2006
TSXV: "SAH"
16,039,961 Common Shares Issued

SAHARA ENERGY RELEASES THIRD QUARTER RESULTS

CALGARY, ALBERTA – November 29, 2006. Sahara Energy Ltd. ("Sahara" or the "Company") announces its financial and operating results for the quarter ended September 30, 2006. As at September 30, 2006, the Company reported a cash balance of \$1,657,622 and a working capital position of \$528,003. The company had net revenues of \$215,744 for the three months ended September 30, 2006 and \$381,402 for the nine month period and a net loss of \$92,590 for the three months ended September 30, 2006 and \$902,551 net loss for the nine month period. Adjusting the net loss for non-cash items of depletion, depreciation, accretion and stock based compensation the company had a net income of \$103,875 for the three months ended September 30, 2006 and a net loss of \$271,872 for the nine month period. The Company incurred capital expenditures totaling \$6,703,754 for the nine month period with expenditures of \$4,469,358 for the three month period ended September 30. For the three month period ended September 30, 2006 the company spent \$394,774 on land acquisitions \$3,574,809 on exploration and development drilling and \$499,775 for well equipment and facilities.

Production for the third quarter averaged 85 bopd, well completions and well tie-ins were restricted due to wet weather.

During the third quarter of 2006, Sahara participated in drilling 17 wells (32% WI), resulting in 14 heavy oil wells, 2 gas wells and 1 abandoned well. Sahara's current production is 200 bopd (heavy oil), 40 bopd (light oil), with behind pipe of 110 bopd (heavy oil) and 1 mmcf/d of gas, for a total capacity of 500 boepd.

Sahara currently has an interest (40%) in 27 producing heavy oil wells in the Lloydminster/Provost areas of Alberta and the Lashburn/Buzzard areas of western Saskatchewan. It also has an interest in eleven heavy oil wells (40%) waiting on completion. Sahara has a 40% working interest in a further 32 heavy oil development locations to be drilled within the next year.

Sahara drilled two gas wells in the quarter and now has an average 30% interest in 8 gas wells. Sahara operated a deep Halfway gas test at Gold Creek (20% WI) and participated in an Ellerslie gas prospect (17.5%) at Willisden Green, with both wells currently being completed.

During the period Sahara also operated two light oil prospects west of the Fifth Meridian in Alberta. One Cardium test well at Pembina (50% interest) and one Montney test well at Tangent (30% interest). Both of these oil wells are now on production.

In southern Alberta, Sahara has acquired a seismic option on 13 sections of land with full 3D seismic coverage. Sahara has committed to a Mississippian re-entry test as an earning well (45% WI). Sahara has identified several other locations on this large land base with multi-zone potential.

Subsequent to the reporting period, Sahara operated two heavy oil wells (75%) in Lloydminster which are now on production.

In the Simonette area of Alberta, Sahara participated for 17.5% in a Cadotte gas test well that is currently cased and waiting completion.

Sahara's current well count is now 54 wells with an average working interest of 38%. Sahara currently has an inventory of 67 locations to be drilled, (average 40% working interest) that have been identified with either 2D or 3D seismic. Prior to year end, Sahara will participate in the drilling of eight oil test wells. In Alberta, the company will operate three test wells at Hayter (50%) and participate in one test well at Gold Creek (17.5%). In Saskatchewan, Sahara will participate in three wells at Buzzard (33%) and one horizontal oil test at Macoun (12.5%). Also in December, Sahara will participate in drilling one gas test at Sinclair (20%) and two gas test wells at Red Deer (10%).

With the above 11 wells to be drilled in December Sahara's well count at year end will be at 65 wells with an average 38% working interest.

The Company reported that it has filed its quarterly financial statements and related Management's Discussion and Analysis for the period ended September 30, 2006 with Canadian securities regulatory authorities on SEDAR. This information may be accessed electronically at www.sedar.com.

Sahara is a junior oil and gas company focused on the acquisition, exploration and development of oil and natural gas in western Canada.

For further information please contact:

Peter Boswell

President and CEO of Sahara Energy Ltd.

800- 510 5th Street Avenue SW

Calgary, Alberta T2P 3J4

Telephone: (403) 232-1359

Fax: (403) 232-1307 or by email at

pete@saharaenergy.ca

ADVISORY

Certain information regarding the Company including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities laws and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environment risks, completion from other producers and ability to assess sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

Note: Boe means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.